

MINUTES
HAMILTON COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 7, 2010
Commissioners Courtroom
Hamilton County Government and Judicial Center
One Hamilton County Square
Noblesville, Indiana

President Dillinger called the meeting to order declaring a quorum present of Commissioner Christine Altman, Commissioner Steven C. Dillinger and Commissioner Steven A. Holt.

DISCUSSION OF PROPOSED 2011 BUDGET

Altman reported she has spoken with some department heads that have indicated there is some opportunity to save through their budgeting process, either personnel or other, and suggested that they should talk with department heads and elected officials to see if there are other reductions available in their budgets. Holt replied that makes sense, the cuts that were proposed were in response to a number that we thought was the right number and it turned out to not be the right number and there is no way of knowing what else is available because people responded to the request and did not say if that was all that could be cut, it was needed to be done to get us to the number we needed. Holt stated he is troubled by a move that would affect every employee regarding the discussions held on closing the buildings a half day or one full day. That is radical enough that we need to make sure every stone has been turned over before we consider that option. Holt asked if capital acquisitions could be delayed one year, particularly with Mike Reuter’s comments that this may be a one year blip because of the way the State distributions were handled and the idea that proceeds at the State were up nine percent at the same time that local units were being cut state wide at 14 percent, that does not seem that it passes the straight face test that everything is the way it should be and if we have to wait until the first of the year to find out if it is in fact this scenario doing something that would disrupt employees and their families in a knee jerk fashion because of what the State told us does not seem like a good employment practice. Altman replied capital expenditures are primarily through the Cumulative Capital Fund and Cumulative Courthouse Fund, we could isolate the monies that come out of the County General Fund for capital purchases and that could or could not be significant in terms of delaying purchases. Holt stated vehicles would seem to be the first to be put on hold. Coverdale stated vehicles are not in the County General budget.

Altman asked Coverdale how much is in the budget for Highway COIT (County Option Income Tax)? Coverdale replied \$4.5 million with over \$3.4 million held for bond payments, leaving \$1.1 million as discretionary funds. Altman confirmed with Coverdale that highway staff are primarily funded through Motor Vehicle Highway (MVH) funds. Coverdale indicated that is true. Altman stated that Local Road and Street (LRS) is budgeted just under \$1 million. Altman stated Supplies is projected at \$240,000, Other Services & Charges at \$120,000 and Capital Outlays at \$650,000. Altman reminded everyone that we need to be preserving the local share of federal funding, we have done a lot of work to get in the federal funding system for roads and it would be a big disservice to the taxpayers not to leverage that federal fund. Altman suggested discussing with the highway staff what the excess COIT monies are delegated to, the budget deficit is larger than the \$1.1 million available in Highway COIT. Altman stated we don’t have much of a choice but to start pulling back on personnel, capital expenditures are not in this budget to be pulled out. Coverdale reported that the federal match is already accounted for in the budget. Altman asked how does that affect the cash balance shown in the fiscal plan? Coverdale replied it is accounted for. Altman clarified that the cash balance shown in the Rainy Day Fund is truly available? Coverdale replied yes.

Dillinger stated we have discussed the possibilities of a four day work week or a seven hour day or RIF (Reduction In Force) in order to get to the \$6.2 million that needs cut. Dillinger sated he has received the following proposal:

Example: Comparison for ½ Day Closing (7 hour day)

Gross Wages (\$79,457 Annual)	\$3,056.04 Bi-weekly	Net	\$1,952.85
- 7 hours per pay period	<u>- 285.23</u>		
	\$2,770.81 New Gross	<u>Net</u>	<u>\$1,775.03</u>
			Reduction \$177.82 per pay

Total County Employees (full-time)	790
Sheriff/Jail/Community Corrections	-295
Elected Officials	<u>- 29</u>
	466 Affected Staff

Example: Comparison for Increased Insurance Premium Employee Savings

(calculation based on \$79,457 annual salary)

\$75.00 Deduction	Net \$1,952.85	
\$100.00 Deduction (+50)	Net \$1,922.37 (difference \$30.48)	Savings \$19.52
\$150.00 Deduction (+75)	Net \$1,907.14 (difference \$45.71)	Savings \$29.29
\$175.00 Deduction (+100)	Net \$1,891.82 (difference \$61.03)	Savings \$38.97

Dillinger stated due to the Sheriff/Jail/Community Corrections being a 24 hour operation those employees would not be affected by the half day closing, which will be putting a burden on a smaller portion of employees. Rather than close one half day the recommendation would be to increase the employee benefit contributions (health insurance) for all employees. Currently 209 employees have employee only coverage at \$50 per pay period and 605 employees have family coverage at \$75 per pay.

<u>Proposed Increase</u>	\$50 per pay period (\$100 Single, \$125 Family)
Potential Annual Savings	
814 employees covered =	\$1,300 per year (\$50 x 26 pays) = \$1,058,200
+7.65% FICA/Medicare for a total savings of	\$1,867,723

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Proposed Increase \$75 per pay period (\$125 Single, \$150 Family)
Potential Annual Savings
814 employees covered = \$1,950 per year (\$75 x 26 pays) = \$1,587,300
+7.65% FICA/Medicare for a total savings of \$2,801,584

Proposed Increase \$100 per pay (\$150 Single, \$175 Family)
Potential Annual Savings
814 employees covered = \$2,600 per year (\$100 x 26 pays) = \$2,116,400
+7.65% FICA/Medicare for a total savings of \$3,735,446

Altman asked if we increased the insurance is it still coming out of their paycheck? Dillinger stated yes, it is coming out of their paycheck as a net, not gross. Randall explained if she is paying an additional \$50 per pay period for health insurance she would actually pay \$30.48 out of the paycheck and will not pay \$19.52 because I don't pay out gross wages for FICA/State/Medicare. In addition to the \$50 of gross wage the County will not be paying the matching FICA/Medicare at 7.65% on the \$50 so there will be an additional savings of \$7.65. Altman stated which would be the same if we did not pay them the \$50 in wages; she would like to see this charted out before we make major changes. Randall stated the employees would have more in their net disposable wages by increasing the insurance rather than decreasing their gross wage and having a shorter work day. Altman asked if the matching PERF has been factored in? Randall stated PERF is calculated on the total gross wage it is not taxed. Altman asked for a chart on all of these payroll calculations so we don't miss anything. If we increase the insurance then we should not give the employees a half day off, we have reduced their pay with no benefit. Dillinger replied that the insurance increase is splitting it among all of the employees' verses just the civil employees by working less hours. Howard stated for every one percent exempt employees are reduced for a total of \$63,000, the Sheriff's total payroll is \$12 million so that would reduce the budget \$120,000 and this does not include FICA/Medicare or PERF. If everyone is dropped two percent it would be about \$400,000 plus FICA/Medicare, etc. Altman stated if we are going to reduce their paycheck they should get a benefit and paying more in insurance is not a benefit. Dillinger stated the benefit is that people are not being RIF'ed, it puts the employee contribution up to where it should be anyway and it will have to go at some point. Altman stated we could have saved \$500,000 by adjusting non-county employees on our insurance and now it is too late. Altman stated this is something we need to consider but she is looking at the value to the employees. If we did close Friday afternoons it could be a temporary situation, the other benefit is if we go to a shorter work week that will have a corresponding positive affect on overtime. Dillinger stated in addition to doing this we could go to a 9.5 hour day, four day work week and close the courthouse on Friday (estimated savings of \$100,000) without changing the total amount of hours so not to affect the pay. Altman replied she does not know if we could get the normal work of government done in four days, in terms of access to offices. With closing one half day on Friday we would have another morning to transact county business.

Holt asked what is the target number we need to reduce? Altman replied around \$4 million, the projected deficit is \$6,281,344. If we expended that amount from the cash balance it would reduce the cash balance to \$9.4 million and that is not using the Rainy Day Fund which will increase by \$2 million by the (estimated) January supplement. Altman stated they don't show any expenditures coming out of the Rainy Day Fund, it is projected at \$12,355,000 with an additional \$2,125,000 with a projected end of \$14,500,000. Holt stated he thinks we are overreacting until we see what office holders come through with during the budget hearings. If we know we have \$2,125,000 coming in January 2011, then we can reduce it which puts us at \$4,075,000 then we can look at the Rainy Day Fund for \$3 million. If we take the \$2,125,000 off the shortfall and then the budget requests won't be as much as we are looking at because there has not been the next call for cuts from the office holders. Altman stated if we take personnel off the table, which we did not put on the table before, with everybody knowing it may be an across the board RIF situation she thinks the elected officials and department heads have some tough decisions. The concern is the problem is systemic, will it get better or will it not and we don't know that. This is why we can't treat it with just taking it out of the cash balance because we can't keep going down this road at the rate we are going if it is partially a property tax issue and partially the economy and partially it will not get better. We still need to reduce but the bloodletting is not as bad as it looks. Howard asked if you are suggesting if we went back to the officeholders that their contribution might include RIF? Altman replied yes, she appreciates what has been said about the cash balances but that will only last so long if we are wrong. We still need to go through the process of the departments triaging what their core function is.

Randall stated she has had employees contact her to inquire about voluntary retirement and job sharing. Randall reported she is working with the county attorney on the definition of part time and putting a job sharing proposal together. Howard stated he thinks part time and seasonal employees will probably have a drop dead amount and the office holder will be personally responsible for overages. Howard is still gathering information. Holt stated he is intrigued with the job share possibility, if the department head thinks it would work we should have our matrix together so we can explain the ramifications. Howard replied we are fine on that, the part time number is 34 hours, that may be one of the tools we give the department heads. Altman stated realistically we are at the point that we need to put personnel on the table. Howard stated that is one of the tools the department heads can use. Altman asked how do we handle it if we don't get to the number and we decide we have to cut overall hours, it is not fair for someone to cut to the bone and then we cut hours, we need to give them this option. Everyone handles their budget differently in terms of willingness to reduce the workforce. If they know we are going to close the office and will have less hours to get things done they may not be willing to RIF two (2) people but maybe one (1) person. We need to give them a conditional target because we may still have to close a half day or reduce the work day. Altman asked Randall to supply her

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numbers with everything in there looking at increasing the cost of benefits verses decreasing the hours worked. Howard stated the savings for closing 3.5 hours for hourly non-police employees is approximately \$2 million, which includes benefits. Dillinger asked what is the total PERF? Coverdale replied the county contributes the 3 percent for the employee for a total of 11.25% or 11.75%.

Altman stated none of these answers are easy but in terms of the public being able to access us or giving something back to the employee she would have to lean to giving something back to the employee and the only way to accomplish that in a meaningful way is to close a half day. It will help in overtime, it will help the Buildings & Grounds Department so contractors can be scheduled during business hours instead of non-business hours. Dillinger asked how does this benefit the employee, they get a half day off but it is at a huge cost. Randall stated it would be seven (7) hours per pay period that every employee would loose in their paycheck. Altman stated she is not advocating that amount. She does not know what to do unless we go to a complete RIF policy and she does not know what the employees would prefer. Dillinger asked how do you answer the charge that this burden is carried by the civilians and not the public safety staff. Altman stated the Jail will have to be staffed, we have to staff sheriff's patrol. Dillinger asked verses having everyone contribute to their insurance more which spreads the burden out. Altman replied not everyone is taking that benefit. Randall stated 814 employees are taking the health insurance benefit. There are only a handful of employees who carry life insurance only. Altman stated we are reducing their paycheck either way. Dillinger stated we have a lot more people contributing to it, which gives us a higher number. Coverdale stated it is less with the insurance. Altman would like feedback from the employees as to their preference. Dillinger stated we can't send the Council into their budget hearings without some directional help from the administration. Altman replied we have two to three days to poll employees.

Howard asked what is the total proposed budget? Coverdale replied \$67 million. Holt stated there is a cash balance, Rainy Day Fund and the supplemental COIT that will come in January; there are three (3) separate funds that can be looked at. Mike Reuter was not definitive of what funds he was identifying. Howard reported \$3.2 million is 6.77% of \$67 million. Holt stated Reuter is so conservative but at the same time he says we have been cut statewide 14% but revenues are up 9% over last year and then he says there is a good chance this is not correct. Altman stated another thing we will face next year is the western Clay Township annexation. Howard stated the county's share will be reduced. Coverdale reported all of the annexations are included in the fiscal plan (Western Clay, Westfield and Fishers/Fall Creek). We are loosing assessed value right and left. Altman stated it is more systemic than collections. Coverdale stated even if Mike Reuter is not correct on the collections we would not see the money for three (3) years and it will be in the form of a supplement. Howard stated he does not see Reuter or the Council recommending a total cash solution. Holt stated he thought Reuter said it in two different ways; we will see it in three years and if it was a timing issue that would not be the case. Coverdale stated if it is moved to an August collection we could see an increase in what the State certifies next year based on July 2010 to June 2011. Coverdale reported we will be broke in 2013. Altman stated this is not a risk we want to take and we still need to put people back on the table in terms of what services county government provides. Dillinger replied he does not necessarily disagree with Altman but we should come up with the least painless way to cut. It is probably a combination of all three things we have discussed.

Ms. Wendy Jackson stated she has had employees speak to her suggesting there are huge areas that could save the county money. The City of Noblesville has issued mileage restrictions for their officers and cars, she does not have the figures but when it was implemented it did supply a huge savings to fuel costs. They only allow the officers to use a certain amount of personal miles per month. In speaking with Steve Wood regarding the building closing, if we close for one day per week there is a potential savings in utilities of \$60,000 to \$100,000 for one year. You won't see that kind of savings if the building is open for half day because the utilities will have to be turned on, employees will have to come to work, the Probation Department offers hours before the building is open to the public. In cutting the hours it would be beneficial to cut it to four (4) days. There could be a reduction in salaries but insurance increases would give us more of an avenue. By cutting to four (4) days we would not be cutting hours of operations because we already have staff here from 7:30 a.m. to 5:00 p.m., what you are doing is taking away from the employees with their insurance benefits and maybe even cutting their hours but will give the employees an entire day which will seems like a reward because you are giving them family time. Jackson reported she researched other counties on a national level who did implement the shorter work week, specifically in a county in Nevada has reported the morale of the staff was higher than expected and it gave citizens more opportunity to conduct their business. Altman replied she would still like to poll the employees, you (Jackson) are stating your personal beliefs or what she had heard from other employees. Altman stated the other concern she has is parents with young children who are trying to work a nine (9) hour work day. Jackson stated that is in the study and 85% of the employees are ok with it, 15% were not. Altman asked whose study? Jackson replied in Nevada as well as this plan was the main focus in the Indiana counties of Grant, Allen, and Tippecanoe. Altman asked Jackson to share this information with the Commissioners.

Jackson reported the Obama administration enacted the Health Reform Legislation which is to be finalized in 2014; when it is finalized all employees will pay taxes on their insurance benefits, currently we do not pay taxes on those benefits. Right now is the time to create the savings with the employees by increasing our shares that we pay. Howard stated it is his understanding if in fact the employees have a net paid for by the employer insurance benefit over a certain amount (TBD) then that benefit becomes a taxable benefit on the fair market value of the plan. Dillinger stated this could be \$6,000 to \$8,000 in taxes which is why the insurance recommendation makes sense. Altman asked when does this go into effect? Jackson replied 2014. Altman stated in the interim they are not taxed? Jackson replied correct, so now is the time to make a change. Altman asked why is now the time? Dillinger stated gradually we can get the county portion down below the cadillac level plan and we might be able to avoid the taxation. Altman stated we could do the same if it stays as law in 2013 unless there is a penalty for dropping it. Howard stated one of the things they are

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looking at is whether or not they will go back and average a few years. Jackson stated effective September 23, 2010, January 1, 2011 or April 1, 2011 dependents under 26 years of age (including those that do not live with their parents) will have to be included in our insurance plan. Altman asked if we have quantified the cost of that? Randall replied they have not. Altman asked that it be done. Randall stated that will be in January and is an agenda item on the next Insurance Committee meeting. Randall stated if we change anything other than the premiums we could violate our grandfathering status which could make us go into a more vulnerable situation; the only thing we can change is the premium. Altman stated until we see the numbers on the total savings to the county they have not swayed her, closing for the full day may work but she has concerns about that. Right now you Jackson is advocating and she does not like the advocacy without supplying the information first.

Dillinger stated we need to make decisions and if we don't make them today how and when will we make them? Altman asked if anybody sees the value within the next few days to sending out an e-mail requesting input from all of the employees or do you want to make a decision without that input? Holt stated he does not want to make a decision now, he is still not clear on what the target number is. It is not fair to anyone to cry wolf and until there is a consensus on what the number is then department heads and elected officials do not know how bare bones their response needs to be. Are we requesting a ten (10) percent, five (5) percent or two (2) percent cut? We have no idea what they can do and what their options are. Dillinger stated we worked diligently to cut the \$4 million. Holt stated when you got to your number to cut as a department you were done. Dillinger stated he does not know if they were done because we went back to them several times and kept pushing to get to the \$4.5 million without any RIF or affecting employees. Holt replied that some departments got there easier than others. Dillinger stated larger departments are always going to get there easier because they have a bigger budget. Holt stated correct and they may have more non-personnel ways to save money. Dillinger stated he does not believe we will find this money in non-personnel. Holt stated he has not heard the amount we are looking for yet. Dillinger stated he heard 50% of the \$6.2 million. Altman stated there is a number and we are sticking our heads in the sand by saying the State made a mistake, whether they did or not we have problems coming down the pike that are not truly related to the State. We are going to have to reduce for at least two to three years so we are not broke until income taxes pick back up again. Stevens asked Coverdale if there is a number from the Council? Coverdale replied no, they are not meeting until Thursday (September 9th). Coverdale suggested the Commissioners can easily count on \$3 million. Dillinger agreed, if we don't help them to get there we are not doing our job. Altman agreed, it is probably a combination of reducing the hours either by closing one half day or putting everybody to a nine (9) hour work day for four (4) days. Howard stated a nine (9) hour work day does not do a lot, it is 36 work hours as opposed to the 37.5 hours currently. That is only going to help less than \$1 million, if you go to four (4) days at 8.5 hours per day that is 34 hours per week which is \$2,061,000 savings for hourly employees, this figure does not include salaried employees or public safety employees. Dillinger asked if you were to do that and cut the increase in the health insurance premium that everyone would participate in, it would save close to another \$1 million which would get us at \$3 million before RIF. Altman stated if there are areas that elected officials and department heads feel they can reduce service in a manner that is not essential we can go through the RIF process.

Dillinger asked Ollie Schierholz for the courts perspective: what is your reaction to a four (4) day work week? Schierholz responded that the courts would have to get approval from the State Supreme Court. Howard stated the Supreme Court manages the turnover of caseload. Schierholz replied it affects the case disposition as well as the Statute of Limitations. For example you have to hold an initial hearing within 48 hours of someone being deprived of their freedom so a judicial officer will have to hold a hearing, which is what we do on three day weekends now, which are held at the Jail. It will affect if someone asks for a speedy trial, how do you count the 30 days; as calendar days, work week or if we go to a four day work week it will be a longer calendar period; we can't do that on our own the Supreme Court has to give us an order to do that.

Holt stated he thinks there is more merit by discussing this by department and letting department heads and elected officials look at the options for their department; for example a department that says they can go one year and not replace vehicles – they would know that, we would not know that; a department that says they have a couple of employees that might be interested in early retirement – they would know that, we would not; job sharing opportunities they would know, we would not. It seems it should be by department rather than everybody voting on their options. Altman stated it is not a vote. Holt stated he thinks it is fine to put the proposal on the medical insurance out there to see what the feedback is. Dillinger stated he fears that trying to explain that in a memo is very difficult. Holt stated then don't. Dillinger stated if they saw these numbers and we can explain it to the employees they would understand it verses the other more drastic penalties they may have to suffer but he does not know if it can be explained very well in a memo. Howard stated basically their premium is \$50 more but their check decreases approximately \$30. Holt stated the idea of a half day off would be attractive for some people and for others it would be their worst nightmare if there are house payments, daycare payments, credit card payments and we say they will get seven (7) hours less per pay, that could be a nightmare. Altman stated she is not advocating seven (7) hours less pay, she is advocating four (4) hours at the most, and that is why she is saying it is a blend. It is probably equivalent to the \$50 and \$38. In her opinion the cut in hours is temporary, it is reversible and we may have to at some time increase premiums and that is a gift that never goes away. Dillinger replied maybe is not the word; we will have to increase premiums so we would be doing this is a little ahead of time. Howard stated if they are going to be taxed on this benefit the employee will want to increase the premium. Dillinger stated if we don't buy new Sheriff's cars this year it would save us this year but isn't it compounding the problem the next year? Holt replied maybe if the State got it right on their July to July collections and if they did get it right we are out of balance for one year. Holt understands we have everything on a nice rotation with the Surveyor, Highway Department and Weights & Measures gets new vehicles, but if we say we are going to put another year on the vehicle rotation and maybe put another year on the chip-seal rotation and maybe another year on the asphalt rotation we would still have the nicest roads and vehicles in the State. Dillinger replied those are all paid

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from other funds. Altman stated she does not see a treasure-trove of money by delaying it, but it helps. Holt stated he does not know what that number is but if you do a one year moratorium on acquiring vehicles, it is a big number.

Dillinger asked Sheriff Carter what the number is for replacing the vehicles? Sheriff Carter stated it was at \$760,000 then it went to \$500,000 and now it is at \$400,000 as replacing them as needed, not on a schedule. There may be a time to replace a vehicle due to an accident but that number is \$400,000 for 2011 but it is not in the budget. The thought was \$200,000 in 2010 and then another \$200,000 in July or August of 2011. Altman confirmed it is not part of the \$3 million that needs to be cut? Carter replied correct. There was \$500,000 in the 2010 budget with \$400,000 in 2011 but it is zero now with the thought that it would be taken out of the Rainy Day Fund once we figured out where the budget was exactly. Dillinger and Altman stated that is not helping. Holt asked Howard about the balance in the liability trust, is it where it should be? Howard replied the liability trust was cut \$1 million during the first round of cuts.

Sheriff Carter stated he understands his department is the biggest target and it is amazing to him what they have accomplished by sending a notice to our employees as to the dire condition that we are all in. His staff has come up with creative ideas to reduce the budget to save jobs. In December 2009 and January 2010 he met with every single one of his employees for a few minutes and one of the questions he asked them is if they would be willing to take a personal reduction, whatever it might be, in lieu of saving a persons job that they may not even know and 99% of those people said yes. Defining what it is is an unknown right now. It is not just the people on Cumberland Road it is the caliber and quality of our people are second to no where. Carter stated he agrees that there has to be some document sent by the Executive of this county explaining to employees where we collectively are. You would be amazed with the creativity of the responses. It would help everybody to have some idea of what the opinions are and that their opinions matter.

Dillinger stated without a meeting to try to explain this it is very difficult to explain and that is his only problem with this. We need to communicate with the employees, he has no problem with that but he does have a problem with employees jumping on something that they don't have all of the knowledge to decide if this is what they really want to do, that is the problem. Howard stated the insurance is going to be difficult to explain but if \$3.2 million is 4.7% of the budget wouldn't that be a number to talk with each department about now? Altman stated you may have some departments that have reduced their budget and staff during the first round. Coverdale stated there were several departments that did not cut anything from their budgets the first time. Howard replied it may have to be done for them. Altman stated it will have to be more uniform in terms of policy, maybe we increase the premium but she does not like the \$50; maybe we reduce a couple of hours, we have to give something back to the employee that is being hurt and the only thing we can give back is a little more time with their family. Dillinger asked if Altman is talking about a four (4) day work week or a four and one-half (4.5) day work week? Altman replied she does not favor the four (4) day work week, it is a balance of serving the public, making the public participate to some extent but losing a whole day in the courts is more havoc than half a day. Dillinger stated you are adding on to the other side. Altman stated not meaningfully, to get to where we need to be it is eight and one-half (8.5) hours per day and she does not see that as huge as taking away a whole day. Dillinger stated this is something we can poll the employees on, whether they want a half day or whole day off and these are the ramifications. Dillinger stated it makes sense to set up the job sharing program and voluntary retirement, that should be aggressively approached. The other combination of going to a \$25 increase in the health insurance premium which would save close to \$1 million and then put it out to the employees of going to a four and one-half (4.5) day work week or shorter days or four (4) day work week and the balance will have to be done through RIF and the Rainy Day Fund. If we don't cooperate with the Council and give them some of the things we have talked about today they will have to do it themselves and they are not allowed (by law) to make these decisions. If he was a Councilman he would like to know what we are going to agree to in order to make the cuts. Holt asked if the Commissioners have the authority to tell the Parks Department that they are going to a four and one-half (4.5) day work week? Dillinger replied absolutely. Holt asked likewise for the Board of Health? Dillinger stated yes. Altman stated she is not sure about the Park Department but we can tell our appointments how we feel. Howard stated the Commissioners have the right to set the operating hours if they own the buildings. Holt is not sure we own the parks buildings.

Holt stated he does not favor the reduction in hours because of the impact it has on the public and the impact on the employee. Dillinger asked in anyway, no seven (7) hour day or four (4) day work week. Holt replied that is true. Holt stated the health insurance; especially with the Obama legislation makes more sense. Dillinger stated if we fail to do any of those it will make the RIF a bigger problem, there will be more jobs lost. He was trying to save as many jobs as we could. Holt stated he understands. If there is some opportunities that present themselves in departments you take it away if you adopt either of these suggestions today or say to the Council this is what we recommend. Altman stated if we don't get to the number with our suggestions the departments and elected officials need to look at non-essential functions and start contracting governmental services that way and it would be their decision and give them the opportunity to contract it that way and that won't get us to where we have to be. We need to tell Council that we are willing to go to a four (4) day work week, we are willing to go to a four and one-half (4.5) day work week depending on what our answers are with the contraction of government services through our elected officials and department heads.

Dillinger asked if we can make some affirmative decisions today for example make a motion on the job share and voluntary retirement to direct the Human Resources Department to contact all of the departments as soon as possible to come up with a number; to increase the contributions on the insurance at \$25 per pay period; and then direct Human Resources to contact the employees to ask what they would prefer as to time off, a four (4) day work week or a four and one-half (4.5) day work week or RIF. Holt asked what about none and a higher insurance cut? Altman stated she

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does not want to look at the health insurance as an option, she has stated in the past that she will not vote on an increase when we decided to keep the State employees on the payroll, that was \$500,000. Holt stated he will vote on that. Holt stated he is comfortable with directing Human Resources on a black and white explanation on job sharing and early retirement. Randall stated she can include in the memo they contact her and she can discuss what is available to that employee. Holt asked by law can we offer any kind of incentive? Howard stated he believes the Commissioners could amend the health insurance policy across the board, for example we raise the barrier of 55 years of age by reducing it and allowing them to take it. It would have to be a non-discriminatory across the board amendment that applied to everyone. Dillinger asked if we could offer a one time window of insurance to take away, would that fit in? Howard stated he will have to look into that. Randall stated we have to consider the liability of the GASB 45, the liability will be greater which is the reason we changed the retirement policy to begin with. Howard stated any time you do that you are effectively borrowing from future revenues and it is a GASB liability. It is an unfunded future accrued liability payable, for this purpose we can't worry about GASB. Altman would like that answer. Dillinger stated he would think that would be a huge incentive to employees to take their health insurance with them and retire early. Howard clarified they would like to offer early retirement with the ability to take your health insurance with you for a period of 60 days. Altman stated we need a time period of how long they can carry the insurance. Dillinger stated a retiree can carry the insurance for life now. Holt stated if the department head doesn't buy in or needs to replace the retiree and the replacement employee has health insurance and the retiree with health care we have made the situation worse. Altman stated the long term solutions are increasing the insurance premiums or contracting government services, through RIF a reduction in specialized areas. Holt stated the job share contracts. Altman stated maybe we take that approach first to see if the department heads and elected officials want to reduce in lieu of going to Stage 2 but we truly need Stage 2. Altman does not want to make a permanent decision on any of this until we know Stage 1 and Stage 2 and everybody knows what is on the table. She would like to know what is important to the employees.

Altman would like to send out a memo listing the things we are considering, she would like to meet with elected officials and department heads to talk about what it takes in a reduction in work force to get to a reasonable number or any other areas they can cut, whether that is a group meeting or one on one and we need to alert Council that there is at least two votes for either going to a four (4) day work week or four and one-half (4.5) day work week. It would be helpful for the Council to know what their options are during budget hearings. Coverdale asked Altman how many hours per week does she mean? Altman replied up to seven (7) hours per pay period but it is up to because if we can reduce and contract government (services) then we don't have to go the full seven hours, it is a sliding scale. Howard stated you are suggesting four 8.5 hours and taking a half day off on Friday at 34 hours or a reduction of 3.5 hours per week or 7 hours per pay period. Altman stated it is up to 7 hours per pay period depending on how successful we are in other areas of cutting.

Dillinger stated we could share some of these numbers of the cuts with the Council, ask them to put on a joint meeting with the Commissioners towards the end of their budget hearings, after they have decided what they want to do as far as RIF, etc. and then implement these in their Council budget hearings. Altman agreed we need a joint meeting. Altman stated as they go through the budgets with the departments that is their opportunity to ask if it is possible to contract by reducing some of your workforce. Dillinger asked if Altman and Holt want to take that approach? Holt stated he is fine with that. Altman stated they are already talking with people and word will get out after today's meeting. Dillinger asked Coverdale to share some of these numbers with the Council in advance of their budget hearings. Let them know that we will consider, if need be, to go to a four (4) day work week or four and one-half (4.5) day work week and what the savings will be and we will not be making that decision until we meet with them in a joint session towards the end of their budget hearings. Coverdale asked when do the Commissioners want this joint meeting, the budget hearings are next week, September 14th and 15th and they are scheduled for the 16th, depending on how the hearings go. The Commissioners agreed to meeting at the end of hearings on the 15th. Dillinger asked Coverdale to find out what time they are willing to meet and let the Commissioners know what that will be and then advertise a joint meeting. Altman asked Coverdale to ask the Council to ask elected officials and department heads if there is an area of contraction they can do in service that would reduce the work force. Dillinger asked if in the interim the Commissioners want Human Resources to do a poll about the four (4) day or four and one-half (4.5) day work week? Altman stated another option we have not discussed is looking at reducing the health insurance plan from a cadillac plan to a chevy plan. Dillinger stated we can do that but that is something that will really affect the employees. Howard stated that gets tricky, it is a modification to your plan and you are grandfathered in at a certain level. Randall stated if there is a value of the insurance at \$24,000 but the employees are paying \$2,000 it brings it down below the threshold of the value of the cadillac plan and then it is no longer a cadillac plan so using the pre-tax deductions works for everybody. Altman stated it does effect your take home pay. Randall stated it does but it effects it a whole lot less. Altman stated she understands. Holt stated there may be employees that their spouses plan will look more attractive as our premium increases. Randall stated she will prepare something and would like the Commissioners and Mike Howard's feedback. She will be cautious about what is being said so people don't make assumptions and then she will have lines of people at her door panicking. Altman stated we have to send something or you will have lines of people at your office anyway. Howard will meet with Randall at 10:00 a.m. tomorrow.

Randall informed the Commissioners there is an error in the last proposed insurance calculation, it should be \$100 per pay period, not \$125 per pay period (error has been corrected in the minutes).

Holt asked Coverdale if there would be any merit to try to meet with the Council early in the morning? Coverdale replied they are booked beginning at 8:00 a.m., she will check to see what the Council thinks and she will give them the minutes of this meeting.

MINUTES
HAMILTON COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 7, 2010
Commissioners Courtroom
Hamilton County Government and Judicial Center
One Hamilton County Square
Noblesville, Indiana

Altman moved to adjourn. Holt seconded. Motion carried unanimously.

Present
Christine Altman, Commissioner
Steven C. Dillinger, Commissioner
Steven A. Holt, Commissioner
Dawn Coverdale, Auditor
Doug Carter, Sheriff
Dan Stevens, Director of Administration
Robin Mills, Chief Deputy Auditor
Michael A. Howard, Attorney
Sheena Randall, Human Resources Director
Wendy Cash, Human Resources
D. Lee Buckingham, Prosecutor’s Office
Chris Mertens, ISSD
Ryan Horine, Sheriff’s Department
Ollie Schierholz, Court Administration
Carrie Ritchie, Indianapolis Star
Clayton Whitson, Sheriff’s Department/Jail
Chris Land, Sheriff’s Department/Jail
Larry Defoe, Sheriff’s Department/Jail
Kevin Benson, Sheriff’s Department/Jail
Josh Carey, Sheriff’s Department/Jail
Graham Packham, Sheriff’s Department/Jail
Amanda Kinyon, Sheriff’s Department/Jail
Chris Russell, Sheriff’s Department/Jail
Bill Collier, Sheriff’s Department/Jail
Peggy Beaver, Clerk of the Circuit Court
Kim Rauch, Administrative Assistant to Auditor

APPROVED
HAMILTON COUNTY BOARD OF COMMISSIONERS

ATTEST

Dawn Coverdale, Auditor

MINUTES
HAMILTON COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 7, 2010
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